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Mitterrand Sees Summit Unity After Bonn Talks

From Agency Dispatches
BONN — France and West Germany reached a broad agreement Monday on major international issues and decided on a joint strategy for next week's economic summit in Ottawa, President Francois Mitterrand said.

After two days of talks with West German Chancellor Helmut Schmidt, Mitterrand said that he and Mr. Schmidt had enhanced their personal understanding and their ability to work together.

"We met no obstacles on the important problems and this is a hopeful sign for the future of our relations. There will still be some delicate problems to solve but we can solve them together," Mr. Mitterrand said.

On the military balance in Europe, Mr. Mitterrand said that the West should seek disarmament talks with the Soviet Union from a position of strength by pressing ahead with the deployment of new U.S. medium-range missiles in Western Europe.

U.S. planning for Ottawa summit shifts from Vice President Bush to a Reagan aide. Page 3.

U.S. Treasury Secretary Regan says Washington will continue to pursue a tough monetary policy. Page 7.

Essential Precondition
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U.S. Says Cambodia Policy Jeopardizes Aid to Hanoi

UNITED NATIONS, N.Y. — Secretary of State Alexander M. Haig Jr. said Monday that the United States would seriously question any economic aid to Hanoi from any source "as long as Vietnam continues to support its senseless aggression."

Reiterating a Reagan administration theme, he also said that the United States would not normalize relations with Vietnam while its troops remain in Cambodia.

Mr. Haig, the final speaker at an international conference on Cambodia at the United Nations, backed a resolution calling for a UN-supervised withdrawal of Vietnam's 200,000 troops from Cambodia and self-determination for the Khmer people.

Mr. Haig said that Vietnam's intervention in Cambodia in December, 1978, posed a direct threat to the security of Thailand and undermined the stability of the entire region.

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Regional Meeting
Mr. Haig rejected a Vietnamese suggestion that a regional meeting be held by the five member Association of Southeast Asian Nations and an "Indochina bloc."

Mr. Haig called this idea "a thinly disguised effort to gain acceptance of Vietnam's actions in Cambodia" and said it would reduce the issue "to a mere border problem with Thailand. We cannot accept such a negotiating format," Mr. Haig said.



Polish Communist leader Stanislaw Kania, right, welcoming Viktor Grishin, head of the Soviet delegation to the extraordinary Polish party congress that opens in Warsaw Tuesday.

Labor Tensions Mark Eve of Polish Meeting

WARSAW — Poland simmered with industrial tension Monday on the eve of a Communist Party congress that will be looking for ways to end the country's year-old crisis.

As delegates from other Communist countries arrived in Warsaw for the congress, at least three labor disputes were reported, despite calls for industrial peace from the government and the Solidarity trade union.

Bus drivers in Kutno, west of Warsaw, twice staged two-hour strikes for more food, workers in an office equipment factory in Torun voted to oust their manager and employees of the state airline LOT said their plans for an indefinite strike next week remain unchanged.

U.S. Grain Assured
WASHINGTON (AP) — Poland will be able to buy \$19.9 million worth of additional U.S. feed grain as the result of a transfer of credit guarantees, the Agriculture Department said Monday.

General S. Tracy, the department's sales manager, said that the guarantees were transferred from sales to Poland of protein meals, soybeans, vegetable oils and wheat.

Kania Address Due
In one of the many procedural and statute matters they will rule on, breaking new ground for Communism in Eastern Europe, delegates will be asked to decide how to elect a new leader. Party leader Stanislaw Kania will address the opening session of the congress and may call for a vote of confidence later in the day.

Mr. Kania went to the airport Monday to greet the Soviet delegation, led by Politburo member Viktor Grishin. The Kremlin has made no secret of its displeasure at Polish developments, but it let the congress go ahead.

The Czechoslovaks, who have drawn parallels between Polish developments and their own situation in 1968, called Monday on Polish Communists to fight anti-Socialist elements.

The delegation corresponds exactly to the working and extraordinary nature of the congress," Mr. Bek said.

Prolongation Possible
He said the congress could well continue beyond its scheduled closing date of July 18, especially if the new election procedures proved time-consuming.

The Polish party's watchdog

U.S. May Build Up Cruise Missile Force

By Richard Halloran
New York Times Service
WASHINGTON — Military strategists advising the Reagan administration foresee a greatly expanded mission for Cruise missiles and they are working on a plan for a sevenfold increase in the deployment of such sea-based missiles by 1987.

About 900 Tomahawk missiles, which are winged tubes with jet engines, would be deployed by 1987, compared with 88 next year. If the plan is approved, the annual budget for the weapons would soar to \$1.5 billion in 1987 from \$210 million in 1982.

Shortly after President Reagan took office, the number of Cruise missiles planned for 1982 was increased to 88, nearly double the 48 planned by the Carter administration. That proposal is before Congress.

The rapid buildup would have to be approved by Defense Secretary Caspar W. Weinberger and the Office of Management and Budget in the White House before it could be submitted to Congress next January, but officials said it has already been given an informal go-ahead.

Thatcher Heckled in Liverpool; Sixth IRA Hunger Striker Dies

5 Are Hurt In Ulster Protests

The Associated Press
BELFAST — A sixth Irish nationalist prisoner died Monday on a hunger strike, setting off renewed rioting by Ulster Catholics, while an estimated 100,000 Protestants marched in the annual celebration of the defeat of Roman Catholic forces at the Battle of the Boyne in 1690.

Four soldiers and a civilian were wounded in two separate snippings and a policeman was injured by a homemade grenade in Catholic areas of Belfast, authorities said. Rioters hurled bricks, stones and bottles at security forces in Londonderry, the province's second largest city.

Renewed street battles broke out after the death of Martin Burke, 27, an Irish Republican Army militant, in the 45th day of his fast at the Maze prison outside Belfast.

He was the sixth hunger striker to die since the protest began March 1 and the second in less than a week. The fasters have been demanding political prisoner status for jailed nationalists.

British officials have refused to meet their demands, saying that this would legitimize the outlawed IRA's campaign to oust the British and unite the mostly Protestant province of Ulster with the overwhelmingly Catholic Irish Republic to the south.

Protestants March
The death came hours before Protestants staged 18 marches throughout the province in the 29th anniversary of the victory of William of Orange's forces over King James II's Catholic army in the Battle of the Boyne. Organizers said that 100,000 people took part in the marches. Security forces marshaled every available man for the annual parade, symbol of Protestant domination in the province, which has a million Protestants and 500,000 Catholics.

Crowds of Protestants in Belfast estimated by police at 30,000 marched through the streets with military precision to the beat of file and drum bands. Onlookers

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A youth being seized by police and arrested in Leicester, England, during a night of violence. One officer was on duty with a head bandage because of an injury suffered in a previous clash.

Begin Won't Consult On Use of U.S. Jets

By William Claiborne
Washington Post Service
JERUSALEM — Prime Minister Menachem Begin on Monday dismissed as absurd the notion that his country would agree to consult with the United States before it used U.S.-supplied weapons in strikes against neighboring Arab states.

"If anyone should think so, it is that one sovereign country should consult another sovereign country about a specific military operation in order to defend its citizens, than it would be absurd," Mr. Begin said.

The prime minister's remark was made to reporters outside his office after a three-hour meeting Monday with the U.S. State Department counselor, Robert

McFarlane, who was sent here to discuss the suspension of delivery of four F-16 fighter-bombers following the June 7 Israeli air strike on Iraq's nuclear reactor near Baghdad.

Following his meeting with Mr. Begin, which was described by participants as tense and at times argumentative, Mr. McFarlane refused to answer reporters' questions. Later, after a second meeting with Mr. Begin, Mr. McFarlane read a joint communique that said a misunderstanding between Israel and the United States had been resolved.

No Mention of Delivery
The communique made no mention of the delivery of the planes, which had been held up pending an investigation of whether Israel violated the terms of a 1952 arms supply agreement that such weapons would be used for defensive purposes only. Later, however, Israeli television said the planes would be delivered on Friday as scheduled.

Mr. Begin, in a hasty and strident news conference outside his office after the first meeting, said that he and Mr. McFarlane differed sharply on the need for any further understanding about the use of U.S.-supplied weapons by the Israel. "We did argue about that," Mr. Begin said. Mr. Begin acknowledged that there was tension between the United States and Israel over the use of U.S.-supplied F-16 and F-15 aircraft during the Iraqi reactor bombing raid. He sought to portray it as a problem for the United States.

Begin's Position
"We have to put aside and behind us a problem which arose as a result of our operation near Baghdad, in which we destroyed an atomic bomb-producing plant... in an act of supreme, legitimate self-defense," the prime minister declared. He said Israel does not have anything to apologize for.

Mr. McFarlane, a close adviser to Secretary of State Alexander M. Haig Jr., was understood to be seeking a formula in which Israel would clarify its definition of defensive use of U.S.-supplied weapons in pre-emptive military operations in neighboring countries, such as in strikes against Palestinian guerrilla bases in Lebanon.

Cabinet sources said the thrust of Mr. Begin's argument throughout the meeting was that Israel already has an explicit understanding with the United States that U.S.-supplied weapons will be used by Israel only for defensive purposes, and that all of Israel's strikes in Lebanon and Iraq have been defensive. Each time Mr. McFarlane proposed new language to the understanding, aides to Mr. Begin said, the prime minister responded that no new formulas were needed since the United States accepted that Israel's use of the weapons until now had been defensive.

Asks for End To Violence, Aid to Police

By R.W. Apple Jr.
New York Times Service
LONDON — Tomatoes and rolls of toilet paper were thrown at Prime Minister Margaret Thatcher on Monday as she left the Liverpool town hall after appealing to the people of the riot-stricken port city to unite with the police to end urban violence.

One of the tomatoes, buried from a crowd of protesters demanding jobs, passed within inches of the prime minister as she stepped into her black bulletproof Jaguar. She had spent the morning meeting with local officials and touring the run-down Toxteth area, the site of the worst single riot during 10 days of disturbances — 10 days that she described as "the most worrying" since she took office in 1979.

"We have to try to get over it," Mrs. Thatcher told a news conference. "As any woman will tell you, life has to go on and we have to pick up the pieces and build afresh. We must never despair. We must try to look at the good things and build on them to get the people back together again."

'Listened Intently'
Wally Brown, the chairman of the Merseyside Community Relations Council, said after the meeting, "she listened very intently but just didn't grasp what we were saying."

After returning to London, Mrs. Thatcher, who said she had had little sleep in the last week, joined with other ministers in final consideration of new anti-riot plans. They are expected to include special courts deal with those arrested, more protection for policemen, a new program to alleviate youth unemployment and possibly a revised riot act that would make it easier to clear city streets.

Government statements on some of the measures are expected during the week. On Thursday, a full-scale Cabinet review will be held prior to a debate on the subject of violence in the House of Commons.

Trouble Abating
The trouble appeared to be abating slightly after serious outbreaks on Friday and Saturday night. Sunday night's most serious rioting took place in Leicester in the East Midlands, where about 600 blacks and white youths threw firebombs, stones and bottles at policemen. Five officers were injured.

After the pubs closed, there were disturbances in the cities of Derby, Birmingham, Huddersfield, Wolverhampton and Coventry, as well as in the racially mixed Notting Hill neighborhood of London. Some trouble was reported in small towns in the rich countryside counties outside London, such as Leighton Buzzard in Bedfordshire and High Wycombe in Buckinghamshire.

Early Monday morning, the trouble spread for the first time to Scotland. Sixteen persons were arrested in Dundee after incidents in which firebombs were thrown and a police patrol car was overturned.

Wales has so far been spared, but in the Commons on Monday afternoon the Welsh Labor members of Parliament spoke of "social disintegration" and the threat of violence in the future. The opposition spokesman on Wales, Alec Jones, denounced what he termed the government's "complacent attitude" in the face of an increase in Welsh unemployment of 70,000 since it took office.

Meanwhile, in courtrooms in many parts of the country, bun

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INSIDE

Pakistan Arms

The Reagan administration's decision to help finance the modernization of Pakistan's armed forces raises troubling questions in Washington and other NATO capitals. Page 3.

Nigerian Oil

In Lagos, the political and economic crucible into which the Third World's petroleum producers have been forced by the current market surplus is clearly manifest. Page 5.

Conoco Battle

The multibillion-dollar bidding war for Conoco intensifies as Seagram raises its bid and Mobil says it is interested in acquiring Conoco. Last week, Du Pont and Conoco agreed to what would be the largest corporate merger in U.S. history. Page 7.

U.S. Aid to Pakistan Troubles Analysts
Small Scale of Arms Credits Is Seen as Limit to Defense Capability

By Drew Middleton
New York Times Service
NEW YORK — The Reagan administration's decision last month to help finance the modernization of Pakistan's armed forces has raised troubling questions among military leaders and civilian analysts in Washington and other NATO capitals.

NEWS ANALYSIS

view of some U.S. and NATO analysts, however, was that no matter what sums were expended and no matter how many F-16s were included in the deal, the resulting Pakistan military structure would not provide an effective answer to a Soviet drive from Afghanistan into Pakistan.

Pakistan Denies Reported Clash With Indian Troops at Kashmir

ISLAMABAD, Pakistan — Government officials on Monday denied Indian news reports of a clash along the contested Kashmir border in which five Pakistani soldiers were said to have been killed.

Deaver Gets Bush's Role for Ottawa Summit Planning

By Martin Schram
Washington Post Service
WASHINGTON — Responsibility for coordinating President Reagan's preparations for next week's seven-nation summit conference in Ottawa has been shifted from Vice President Bush to Michael K. Deaver, the White House

deputy chief of staff, according to senior administration officials. And there are some concerns within the administration's highest echelon that Mr. Bush's rather short tenure as a summit coordinator may have brought a cease-fire to the intramural warfare that has plagued the Reagan team — but that it failed to fully resolve the

problems over how the president can best be briefed. There is no dissatisfaction with Vice President Bush, said a high-level White House official, in confirming the recent shift of duties, which was made without an announcement. He said that since Mr. Deaver had been designated to coordinate all foreign trips, it had always been assumed that at some point "the baton would pass to Mike."

Mothers' Deaths From Childbirth Seen as Higher Than Recorded

CHICAGO — A U.S. study indicates that maternal deaths from childbirth are generally believed and may be the 11th leading cause of death of women aged 15 through 44. The study, conducted by the National Center for Disease Control in Atlanta, was reported in Sunday editions of the Chicago Tribune.

than indicated by national statistics. The study, which included all live deliveries in 1975 and 1976, showed that many childbirth deaths occur from complications that arise some time after delivery and therefore may not be associated with the birth or noted on death certificates, Mr. Rubin said.

Justice Department Promoting Merger Of Drug Enforcement Agency With FBI

By Robert Pear
New York Times Service
WASHINGTON — Officials of the U.S. Justice Department, having decided that the FBI should join the battle against narcotics, are promoting a proposal to merge the Drug Enforcement Administration with the FBI, or at least to make the drug agency a "semi-autonomous subsidiary" of the bureau.

into narcotics work. He warned that the bureau should not become a "national police force" and that current agents were not trained in the undercover techniques necessary for narcotics work. In recent years, however, the bureau has conducted many investigations of organized crime and political corruption using undercover techniques similar, but not identical, to those used by drug agents penetrating vast international narcotics operations.

Keefe Brasselle Dies; Was Lead In 'Cantor' Film

HOLLYWOOD — Keefe Brasselle, 58, best known for his leading role in the 1953 film "The Eddie Cantor Story," died here. He had had a liver ailment.

Backing Hoover Tradition

Mr. Giuliani said that virtually all the benefits of a merger could be attained, with none of the drawbacks, if the drug agency was brought under the bureau's umbrella as a "corporate acquisition." Headquarters operations of the two agencies could be merged, Mr. Giuliani said; the drug agency would retain its mission, its structure and its own management team but would report to the director of the FBI.

FBI Has the Clout

Ten Democratic senators signaled their desire for action last month when they endorsed a package of anti-crime legislation including a bill to create a Cabinet-level Office of National and International Narcotics Control. The head of the office would have broad authority over the work of federal agencies in narcotics enforcement.

Peron Guards Told To Behave in Spain

MADRID — Hyguards of former Argentine President Isabel Peron have been warned about their conduct, Interior Minister Juan José Rosón said Monday.

Olin Pearce Miller

THOMASTON, Ga. (AP) — Olin Pearce Miller Sr., 87, author of "Piney Woods Pete," a newspaper commentary on the news, died Saturday. From 1932 until he retired in 1974, Mr. Miller also wrote a syndicated daily feature entitled "Dixie Dewdrops."

Reagan Downgrades Role of His Adviser On National Security

By Martin Schram
Washington Post Service

WASHINGTON — President Reagan has decided to end the long-standing presidential practice of receiving formal daily briefings from his national security adviser — further de-emphasizing the role of Richard V. Allen, who now holds that job — and to put a new emphasis on a committee of policy-makers.

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As part of an effort to bring order to his often-fractious foreign policy high command, the president is receiving his daily national security report from Mr. Allen in written form only, according to senior White House sources.

New Aircraft

The Indian Air Force is twice the size of Pakistan's and, on the whole, has newer aircraft, although neither can be judged advanced under Western standards. The addition of F-16 fighter-bombers will strengthen Pakistan, just as the introduction of MiG-23s and, possibly, MiG-25s, will strengthen India.

No Reflection on Anyone

"A decision has been made to streamline the president's schedule," one of Mr. Reagan's senior advisers said. "It is not intended to reflect on Dick Allen or Al Haig or anyone else."

Kuwait Expels U.S. Diplomat

KUWAIT — The Foreign Ministry has ordered a U.S. diplomat to leave Kuwait because she allegedly helped an American woman take her two children out of the country without their father's permission, the semi-official Kuwait news agency reported. The father is a citizen of Saudi Arabia.

Police Break Up Squatters' Rally In West Berlin

BERLIN — Police used tear gas and baton charges to break up a violent protest by leftist demonstrators in West Berlin's exclusive Grünwald suburb Sunday. Windows of the South African consulate were broken, and a policeman captured by the demonstrators was stripped naked and photographed.

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FOUNTAIN OF YOUTH — Two children play under the spray of a fountain in St. Peter's Square in Vatican City.

Honduras Says It Released 5 Jesuits on Arms Charges

TEGUCIGALPA, Honduras — The government said Monday that it has freed five Jesuit seminarians three days after they were arrested at the Tegucigalpa International Airport. Customs officials said they had found arms and leftist literature in the Jesuits' luggage.

had been en route to Mexico City to take a philosophy course before being ordained as Roman Catholic priests. There was no elaboration on the charge that they were carrying weapons. The head of the Jesuit order in Honduras, John Wilmering, said, "I cannot say if [they] are free or not. Nobody in our company saw them board the plane. We only know that the government has said in respect to the case."

U.S. Will Admit S. African Team For Rugby Tour

PRETORIA — The U.S. Embassy said Monday that visas would be issued for the South African Springbok rugby team to visit the United States after a tour of New Zealand that has been the subject of international protest for months.

The South Africans are to play three matches in Chicago and New York after the New Zealand tour which runs from July 22 to Sept. 12. Anti-apartheid groups in New Zealand have urged the government to ban the South Africans, but Prime Minister Robert Muldoon has refused. A spokesman for the U.S. Embassy in Pretoria said the State Department had authorized visas for 30 Springbok players and team officials. The spokesman said it was not U.S. policy to interfere in private sports exchanges between South African and American sporting bodies.

Advertisement for MICHEL SWISS perfume and cosmetics. Text includes: 'Best TAX-FREE EXPORT PRICES!', 'ALL PERFUMES • COSMETICS BAGS • SCARVES • TIES FASHION ACCESSORIES', 'MICHEL SWISS 16, RUE DE LA PAIX PARIS', '2nd Floor, Elevator', 'FLAWLESS MAIL ORDER DEPARTMENT (FREE SAMPLES)', 'Phone: 261 7171'.

Advertisement for Beverly Wilshire Hotel. Text includes: 'For those who appreciate the difference.', 'In Los Angeles a grand-luxe hotel that provides superior service and facilities for the discriminating international traveler.', 'Beverly Wilshire Hotel', 'Wilshire Boulevard at Rodeo Drive, Beverly Hills, CA 90212', 'Telex: 698-220. Telephone: 213-275-4282.', 'Represented by HRI The Leading Hotels of the World®', 'Member of The Preferred Hotels Association'.

HOW DO YOU ASK FOR THE CLASSIC SCOTCH WHISKY IN FINLAND?

Large advertisement for Hallowaisin lasillisen Johnnie Walkeria. Text includes: 'Hallowaisin lasillisen Johnnie Walkeria', 'Kippis!', 'AUTHORS WANTED BY N.Y. PUBLISHER', 'Leading quality book publisher seeks...'. Includes an illustration of a man in a hat and coat walking.

BUSINESS NEWS BRIEFS

Major Retrenchment Seen Coming at Pan Am

MIAMI — Pan American World Airways will reduce its work force and trim service under a cost-cutting program to be announced Tuesday, officials of the troubled airline say.

ITT Seeks \$32 Million From Western Union

NEW YORK — International Telephone & Telegraph Corp. said Monday that its ITT World Communications unit was seeking \$32 million in refunds from Western Union for alleged telegraph overcharging between 1978 and 1981.

U.S. Automakers Have Record Inventories

DETROIT — Fairly strong production and lagging sales in June resulted in a record high inventory of domestic new cars in the United States on July 1, Automotive News said Monday.

Engelhard to Take Interest in French Firm

EDISON, N.J. — Engelhard Corp. said Monday that it had agreed to acquire 50 percent of the stock of Compagnie Metaux Precieux, a French precious metals manufacturer, with an option to acquire the rest in three years.

Ford-Werke to Increase Fiesta Production

COLOGNE — Ford-Werke AG plans to take on 900 workers at its Cologne-Niehl plant to increase production of the Fiesta model, a company spokesman said Monday.

IMI Agrees to Acquire Control Components

NEW YORK — IMI Ltd. of Britain said here Monday that it had agreed in principle to acquire Control Components International from Babcock & Wilcox, a unit of McDermott Inc.

Canadian Airline Orders 2 Jets From Boeing

SEATTLE — Boeing said Monday that it had received an order from Pacific Western Airlines of Calgary, Alberta, for two 737-200 jets costing about \$30 million.

OECD Sees More But Cheaper Borrowing

PARIS — New borrowing on international capital markets is expected to rise again this year although the cost of new funds should come down, according to the Organization for Economic Cooperation and Development.

Mobil May Join Hectic Auction for Conoco; Seagram Ups Its Bid

NEW YORK — Mobil said Monday that it is arranging bank loans through a syndicate led by Citicorp for a possible bid for Conoco, intensifying the multi-billion bidding war for the company.

Mobil's disclosure followed an announcement late Sunday by Joseph E. Seagram & Sons, a unit of Seagram of Canada, raising its bid to \$85 a share for a 51-percent interest in Conoco.

The deal, which would be worth about \$3.77 billion in cash, is aimed at thwarting an agreement last Monday under which Du Pont would buy for cash and stock all of Conoco's shares in a deal valued at that time at about \$7.3 billion.

With the fall in the price of Du Pont shares by about \$4 since the merger agreement was announced, the Du Pont-Conoco deal is now worth about \$6.9 billion.

Regan Labels Surge In Rates 'Temporary'

WASHINGTON — Treasury Secretary Donald T. Regan, acknowledging that most European countries are disturbed about high U.S. interest rates, said Monday that this country would continue to pursue its monetary policy because "you cannot get inflation under control without having high interest rates."

In general, he sought to assure Europe that the U.S. is sensitive to the impact its economic policies have on Europe. "After all," he said, "we know that the dollar is a reserve currency, and we know that we have to be responsive in the way that we handle the dollar."

Industrial Output Falls 0.8% in Britain

LONDON — Industrial output in Britain fell a provisional 0.8 percent in May after a revised 0.4 percent decline in April, the Central Statistical Office reported Monday.

Risk Gap

Although interest rates on medium term syndicated credits are forecast to remain at recent low levels for prime borrowers the gap between good and bad credit risks is expected to widen, the survey said.

"Our economy is growing, our nation is growing, and the world is growing, so why shouldn't companies grow?" Treasury Secretary Donald T. Regan said Sunday in an interview.

Besides Du Pont, Seagram and Mobil, Texaco also is considered a possible bidder for Conoco — the 14th-largest U.S. industrial company with reserves of two billion barrels of oil, 7,000 billion cubic feet of natural gas and 14 billion tons of coal.

Other potential bidders that have been named include Standard Oil of California, Shell Oil and Standard Oil (Indiana).

The new bid by Seagram, the big Canadian liquor distiller, of \$85 a share for at least \$4.25 billion Conoco shares compares with its offer made June 25 for 35 million shares (a 40.7-percent stake) of Conoco for \$73 a share in a deal valued at \$2.56 billion.

OPEC Pressured To Cut Prices of Refined Products

BAHRAIN — OPEC members are under increasing pressure to cut prices of refined oil products as Saudi Arabia maintains its campaign to force crude oil prices down, oil industry analysts said Monday.

The threat to prices comes from the four oil companies — Exxon, Mobil, Texaco and Standard Oil of California — that buy Saudi oil, at a \$32 a barrel the cheapest in OPEC.

The analysts said in the past two weeks some of the Aramco companies have begun to divert surplus crude to their refineries. This provided them with refined products at up to \$4 less than the cheapest alternative OPEC offers and about \$8 lower than the most expensive, the analysts said.

Markets Closed

The financial markets in France were closed Monday due to a holiday.

Conoco and Seagram have battled each other bitterly for nearly a month. Conoco, which last month lost its Canadian oil and gas holdings to Dome Petroleum, spurned a "friendly" bid from Seagram to buy 25 percent of the company's stock.

Conoco then tried to merge with Cities Service to create a firm too big for Seagram to tackle. Cities Service backed out of the deal when Seagram made its tender offer at \$73 a share.

Conoco then found a "white knight" suitor in Du Pont, which sees in Conoco a captive source of petroleum for its giant petrochemical operations.

Canadian Actions Concern SEC WASHINGTON (Reuters) — Securities and Exchange Commission Chairman John Shad said Monday the SEC is concerned about Canadian investment in the United States having an unfair advantage over U.S. investors.

Mr. Shad told a news conference that the SEC supports legislation pending in Congress that would impose the same margin requirements on foreign as well as U.S. investors in the case of acquisitions of over five percent of common shares.

He said he was concerned about the "exportation" of control of U.S. companies, "especially when it relates to the sort of thing that has been going on in Canada recently."

He said, "To the extent that money is being brought in from Canada and premium prices are being paid, that is a form of capital formation ... But the question is whether it should be on a fair competitive basis with U.S. acquirers."

Stock Prices Drift; Trading Slow

NEW YORK — Prices on the New York Stock Exchange weakened in the last hour of trading to close mixed, with takeover candidates sparking an otherwise dull session Monday.

The Dow Jones industrial average, which had been ahead nearly 3 points at midday, fell 1.33 points to close at 954.34 though other broader indices were higher and advanced led declines by a small margin.

Prices were mixed in moderate trading of American Stock Exchange issues.

CURRENCY RATES table with columns for Currency, U.S.\$, and various international exchange rates for July 13, 1981.

AKENI advertisement for 'Service to the Individual' with contact information for Zurich, Switzerland.

1st WORLDWIDE CONVENTION ON FREE ENTERPRISE AND MARKET ECONOMY advertisement for the Hilton Hotel in Brussels, September 7-9, 1981.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

COMPANY REPORTS table listing financial data for various companies including Control Data Corp., First Chicago Corp., Owens-Corning Fiberglas, and Time Inc.

Retail Sales in June Grow 1.2% in U.S.

WASHINGTON — Retail sales rose \$1.06 billion, or 1.2 percent, in a seasonally adjusted \$86.37 billion in June, the Commerce Department said Monday.

The increase followed a revised drop of 0.6 percent in May and left sales 11 percent higher than a year earlier, it said. May sales were initially reported to have gained 0.2 percent.

ADVERTISEMENT table for Sunitomo Heavy Industries Limited and Nippon Electric Company Ltd.

Reason for Concern

The OECD said that one reason for the recent growing concern about some major debt rescheduling operations in progress or expected in the near future, Poland is currently seeking relief on nearly \$2.4 billion it owes Western commercial banks for this year.

Nevertheless the attractive spreads available in lesser borrowing risks have been an important stimulus to an increase in such lending operations, the survey said.

ADVERTISEMENT table for Banque Sudameris with details on floating rate notes due 1987.

ARGENTINA advertisement for Inveragro S.A. with contact information for Buenos Aires.

ADVERTISEMENT table for Sunitomo Heavy Industries Limited and Nippon Electric Company Ltd.

BANQUE SUDAMERIS advertisement for U.S. \$30,000,000 Floating Rate Notes due 1987.

ARGENTINE REPUBLIC EXTERNAL U.S. \$ BONDS advertisement for The Weston Group.

AMEX Nationwide Trading Closing Prices July 13

Tables include the nationwide prices up to the closing on Wall Street.

Main table of AMEX Nationwide Trading Closing Prices July 13, listing various stocks and their prices.

U.S. COMMODITY PRICES

Table of U.S. Commodity Prices including Chicago Futures, International Monetary Market, and London Metals Market.

NEW YORK FUTURES

Table of New York Futures prices for various commodities like sugar, coffee, and cotton.

European Stock Markets

Table of European Stock Markets including Amsterdam, Brussels, London, Frankfurt, Zurich, and Milan.

COMMODITY PRICES

Table of Commodity Prices including Cash Prices, Paris Commodities, and Market Summary.

Selected Over-the-Counter

Table of Selected Over-the-Counter closing prices for various stocks.

Market Summary

Table of Market Summary including NYSE Most Actives, Dow Jones Averages, and NYSE Index.

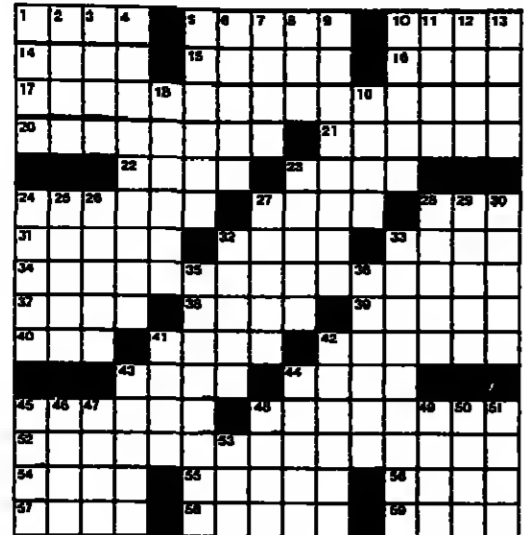
The world at your finger tips. Herald Tribune Incisive. In depth. International.

Zurich Police Probe \$3 Million in Fires. TOKYO — A series of weekend fires in shops and warehouses here, investigators believe to be arson, caused nearly \$3 million in damage, police said Monday.

33 Dead at Mill in India. NEW DELHI — The death toll in the collapse of a silk mill in the western state of Gujarat has risen to 33, the Press Trust of India said Monday.

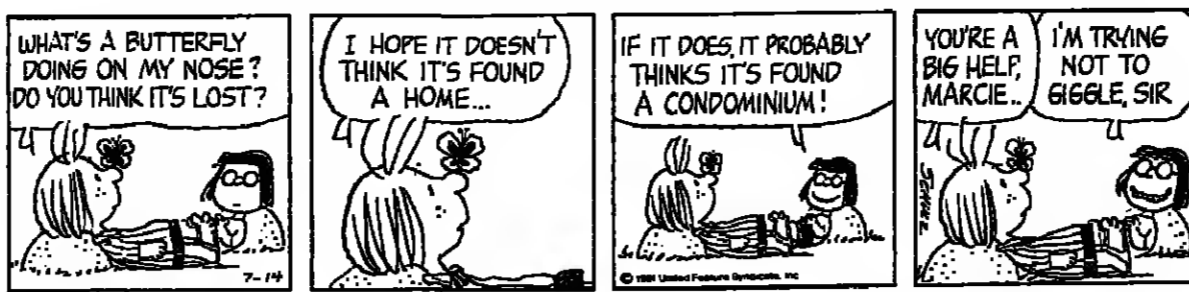
CROSSWORD

By Eugene T. Maleska



- ACROSS: 1 'Obelisk' character... 10 Espadrille... 14 Word with cover or knot... 15 Incurred, as debts... 16 Mollen rock... 17 Personal household effects... 28 Doorway... 29 To fit... 23 For two, in music... 24 Beautiful park in Vienna... 27 Ready for publication... 28 'Rosenkavalier'... 31 Mysterious... 32 Chemical compound... 33 His 'Dafnee' is the first knows opera... 34 Exemplars of firm friendship... 37 An Indian Ocean gulf... 38 Tense... 39 Precipitation... 40 Herd... 41 Suffix with major... 42 Dolly from Tennessee... 43 Arthur Ellav... 44 Ankles... 45 Stewart's 'Touch Not'... 48 'The Road,' 1928 song... 52 Abandoned twins nursed by a wolf... 54 What North and South Dakota do... 58 Allright... 56 Word with Par or Middle... 57 Put a question on the table... 58 Home of a biblical witch... 59 Dagger of old... 1 Man, for one... 2 Shepard of space-traveling lame... 41 Of an epoch... 42 Cater basely to... 43 Opposite of obtuse... 44 Lone Ranger's sidekick... 45 Hazard for Hale Irwin... 46 Person called a 'swagman' in Australia... 47 Certain rattles... 48 'Sweet' of liberty... 49 Sultanate the size of Kansas... 50 Meditate... 51 Medieval Italian fortress... 53 Francisco, e.g.

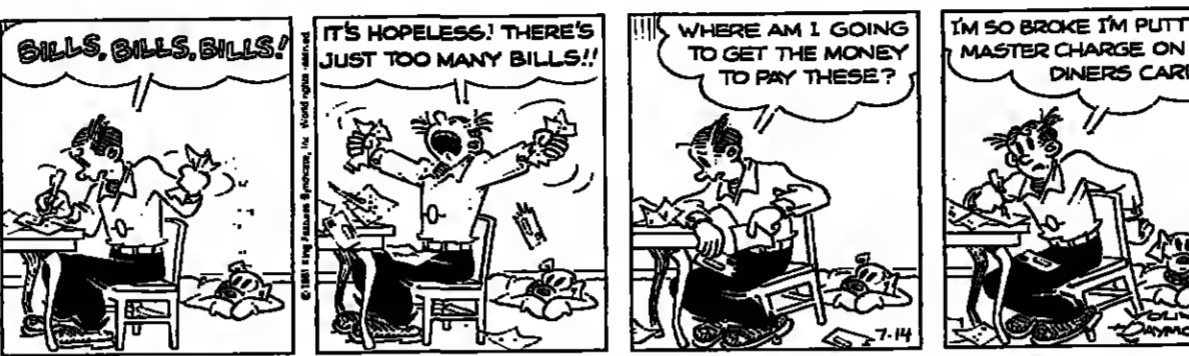
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BOOKS

MEMOIRS OF AN ANTI-SEMITIC

A Novel in Five Stories. By Gregor von Rezzori. Translated from the German by the author and Joachim Neugroschel. 287 pp. \$13.95. The Viking Press, 625 Madison Ave., New York 10022.

Reviewed by Christopher Lehmann-Haupt

HOW protected we are by our trust in the good manners of U.S. publishers. We pick up Gregor von Rezzori's novel without batting an eye, knowing full well that its title, 'Memoirs of an Anti-Semite,' must be ironic, or at least ambiguous. And of course, we are right. In the novel's fifth and final episode, called 'Pravda' because it may be anything beside the truth, the narrator reflects on the vantage point of 1979 on his talents for declaring his past as a fiction. 'Indispensable talents, if you wanted to survive. For otherwise, how could you stand the look of your face yesterday.' Finally, the entire contents of these 'Memoirs' are declared to be fiction. On the other hand, the stories told in them are very close to autobiography, for the narrator strongly resembles the author - who was born in 1914, in Bukovina, Romania, in an area that is now part of the Soviet Union; has worked as a writer and filmmaker in Germany; and now lives with his wife in Tuscany. And though the narrator is exceedingly hard on himself, the fact remains that he was raised to despise Jews by his aristocratic father, a loyal subject of the Austro-Hungarian throne who stayed on in Romania after World War I because of the incomparable hunting. So all the complex causes of European anti-Semitism are anatomized in these pages. Nothing is made prettier than it was. Nothing is glossed over.

Breathtaking Richness

Still, though we never escape the theme of anti-Semitism, it is not what is uppermost in our minds when we turn the final pages. What we recall then is the breathtaking richness of the history it recounts and the extraordinary way it makes time pass by. In 'Skushno' ('a Russian word for a spiritual void that sucks you in like a vague but intensely urgent longing'), the youthful narrator plays a cruel but not entirely undeserved prank on a Jewish playmate, which changes the lives of everyone involved, including the two boys' guardians. The incident seems earthshaking until it is reduced to a childish incident by the second episode, 'Youth,' in which the narrator confesses his sexual adventures as a young salesman in Bucharest - culminating in a love affair with a Jewish proprietress of a red-light district drugstore.

Solution to Previous Puzzle



Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

EVEN W.S. Gilbert, with his taste for the law and ingenious paradoxes, never conceived a situation in which both plaintiff and defendant are desperately hoping to lose a suit, since victory will be unwelcome and perhaps disastrous.

Yet a bridge equivalent of this happened recently in the Vanderbilt Knockout Team Championship in Detroit. The occasion was a quarter-final match which was desperately close throughout.

Going into the final quarter of 16 deals, Bart Bramley led by one slender international match point. When the diagrammed deal, which became the bone of contention, reached Mike Russell's table he opened with an eccentric bid of one trump: His distribution was abnormal, and he had one high-card point fewer than his methods called for.

Mark Lair as North made a transfer response of two diamonds, showing heart length, and Passell eventually took a shot at four hearts. With top losers a hopeless contract - but he made it.

West chose a passive trump lead, fearing to give South a trick if he led from the side-suit. South won in dummy and led a spade to the king. It was very difficult for West to tell that a club shift was vital. That might well have been fatal, and he continued his passive policy by leading his remaining trump. It was now easy for Passell, who was able to throw a club loser on the third round of spades and surrender a diamond trick, to make his contract.

When the board reached the other room for the replay, West opened the bidding with one diamond - out of turn. A complex law was explained by a director, slightly inaccurately. When the bidding restarted and South bid one diamond, West believed that his partner was barred throughout in all circumstances. He passed, and North and South bid to two hearts. They also made ten tricks when the defenders failed to take their winners.

The officials now added a crumb of information to the original explanation of the law: If West bid two diamonds his partner would be barred for one round but not for the whole session. West now announced that he would have bid two diamonds if he had known that this would reduce the impact of the penalty. The officials scratched their heads about this, and eventually ruled that the deal be thrown out and replaced by a substitute. North and South did not care for this. They thought they

had had the best of matters. They had made a trick more than they were entitled to, and it was possible from their angle that their teammates would bid and make two spades. They announced a wish to appeal the ruling, and were told that they would have to do so immediately, without waiting to find out what had happened in the other room.

They therefore appealed, and while they continued to play a committee met to consider the matter - an unusual proceeding since the players were not available to state their positions.

The other table had finished much earlier and had not been substantially delayed by the legal problem. The other two members who realized that their match, projected as a photo finish might well be decided by the committee in Alice-in-Wonderland fashion.

They knew that to retain the original board would mean a loss of six international match points. And the appeal, once lodged, could not be withdrawn. Both teams were now hoping fervently that they would lose the appeal.

There was no swing on the substitute board, and the committee allowed the appeal. The appealing team thus lost six points. They would, of course, have preferred to lose the appeal rather than the points.

But when the players eventually compared scores, in a highly charged atmosphere, it turned out that the committee ruling had not quite changed the result of the match. Even after losing the six points, the Bramley team had won the match by seven and went on to play in the semi-final.

BRIDGE scores table with columns for NORTH, WEST, EAST and SOUTH (D) and various card symbols and scores.

WEATHER

Table with columns for High, Low, and weather conditions for various cities including ALGARVE, ALBANY, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BEIRUT, BELGRADE, BERLIN, BIRMINGHAM, BRISBANE, BUCHAREST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA DEL SOL, DAMASCUS, DUBLIN, EDINBURGH, ELLENBURG, FRANKFURT, GENEVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES.

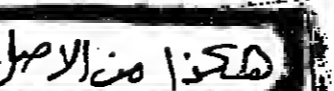
ADVERTISEMENT INTERNATIONAL FUNDS

Table listing various international funds such as ALLIANCE INT'L FUND OF BERNESE ALPS, BANK JULIUS BAER & CO. LTD., BANK VON ERNST & CIE AG, BRITANNIA FUND, CAPITAL INTERNATIONAL, CREDIT SUISSE, DIT INVESTMENT FRANKFURT, FIDELITY FUND, G.T. MANAGEMENT LTD., JARGINE FLEMING, LLOYDS BANK INT'L, RBC INVESTMENT MGRS, ROTHCHILD ASSET MGMT, SODIO GROUPE GENEVA, SWISS BANK CORP., UNION BANK OF SWITZERLAND, UNION INVESTMENT FRANKFURT.

JUMBLE THAT SCRAMBLED WORD GAME by Hanni Arnold and Boo Lee. Includes a word search grid and a cartoon about a fortune teller.

DENNIS THE MENACE comic strip showing a boy at a desk talking to a hamburger.

I ORDERED A HAMBURGER WITH FRENCH FRIES AN A ROOT BEER... SO WHATS THIS?



Art Buchwald

May the Best Man...

WASHINGTON — "Wouldn't it be wonderful," said Lady Di to Prince Charles...

think I should call Mum, and ask her if it's all right? Lady Di said, "I don't know why we have to call Mum. I believe if we kept it a secret from everyone...



Art Buchwald

Cuba: A Club's End, Children and Hunger

By Jo Thomas
New York Times Service
HAVANA — The Rovers Athletic Club, a luxurious remnant of the British Empire, managed unobtrusively to survive the first 20 years after the Cuban revolution...

where 229 children aged 45 days to 6 years can stay from 7 a.m. to 7 p.m. if their mothers are working. The children are fed, given medical attention and provided with clothing or diapers...



Children playing at infant center.

PEOPLE: Thatcher Has a Giggle At Play Lampooning Her

Does Margaret Thatcher have a sense of humor? Some members of a packed audience at London's Whitehall Theatre reported that the stern Conservative prime minister can indeed laugh — even at herself...

Treasure Hunt In Russia Moves

MOSCOW — Treasure hunters looking for a board of booty abandoned by Napoleon's army on the retreat from Moscow in 1812 have switched their search to the lake in Belorusia...

The newspaper said that the treasure hunters, mostly from Moscow diving clubs, have reported detecting evidence of gold on the bed of Lake Bobrovskoye, about 200 miles (320 kilometers) farther west on Napoleon's route.

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